

2105-WR-106
12/15/2009 (aff)

Public Service Commission of Wisconsin

Eric Callisto, Chairperson
Mark Meyer, Commissioner
Lauren Azar, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Public Service Commission of Wisconsin
RECEIVED: 12/10/09, 10:41:45 AM

December 1, 2009 – VIA E-MAIL

Mr. Cal Patterson, Director of Finance and Treasurer
Franklin Municipal Water Utility
9229 West Loomis Road
Franklin, WI 53132
E-mail: cpatterson@franklinwi.gov

Re: Application to Increase Water Rates

2105-WR-106

Dear Mr. Patterson:

The Public Service Commission (Commission) staff has analyzed your application for a water rate increase. The application was received on July 29, 2009. A proposed staff exhibit has been prepared, a copy of which is enclosed. The exhibit contains schedules showing staff's proposed revenue requirement, cost-of-service analysis, and proposed rates.

We intend to submit our proposal at the public hearing on December 15, 2009. At least one person must represent your utility at the hearing.

We have used a 1.00 percent rate of return on the estimated water utility net investment rate base for the test year 2009, as requested and as accepted by our staff auditor. The proposed rates would increase annual revenues from water public utility service by an estimated \$177,728, comprised of a \$217,964 increase in general service revenues and \$40,236 decrease in public fire protection revenues.

The increase in water utility revenues results because of a 71 percent increase in gross plant investment and a 64 percent increase in operating expenses since your last full water rate case in 2003. The rates authorized in your last full rate case were adjusted through the Purchased Water Adjustment Clause (PWAC) for increases by your wholesale water supplier in 2005 and 2008 and through the Simplified Rate Case (SRC) process in 2008.

We have selected some customers for comparison of proposed and present rates (see Schedule 14 of enclosed staff exhibit). Please note that, in general, large-volume users would receive a larger percentage increase in water rates than an average residential customer. The reason for the larger percentage increase to large users is that the rates in the lower blocks of the volume charges have been increased to reflect the cost of providing water. We believe that the larger increase to large-volume users is reasonable because the proposed rates more appropriately reflect the cost of providing service than do the present rates.

Our proposed charge for public fire protection provides a decrease of approximately 7 percent compared to a 6 percent increase in general service rates. The larger percentage increase in general service charges results because a greater proportion of the annual operating costs is allocated to general service than was allocated at the time of your last rate proceeding. This is based on current ratios of maximum general service demand to available fire protection capacity. We believe the larger percentage increase in the general service charges is reasonable in that it reflects the cost of providing service.

As requested, Schedule Mg-1, General Service - Metered, in Schedule 13 provides for a standard declining block rate structure for the non-residential classes (commercial, industrial, and public authority) and an inclining block rate structure for the residential class. The new rate structure for the residential class is intended to encourage residential customers to conserve water, especially during the summer months. The following tables show the percentages of volume and of customers (bills) that would be affected at each volume block for each quarter:

Percentage Cumulative Billed Usage

Blocks	All Quarters	Winter 1st Q	Spring 2nd Q	Summer 3rd Q	Fall 4th Q
First 10,000 gallons	48.7	59.8	54.1	32.9	63.1
Next 10,000 gallons	76.0	89.0	84.0	57.7	90.2
Over 20,000 gallons	100.0	100.0	100.0	100.0	100.0

Percentage Cumulative Bills

Blocks	All Quarters	Winter 1st Q	Spring 2nd Q	Summer 3rd Q	Fall 4th Q
First 10,000 gallons	23.8	27.6	23.4	12.7	31.6
Next 10,000 gallons	70.1	79.2	72.4	45.1	83.6
Over 20,000 gallons	100.0	100.0	100.0	100.0	100.0

The depreciation expense included in the revenue requirement was computed using the water depreciation rates on the enclosed Schedule 15. When the order is issued in this docket, these rates will be certified for use by your utility effective January 1, 2009.

We are recommending to the Commission that your water utility's filed rules and regulations be updated to reflect the latest requirements in Wis. Admin. Code ch. PSC 185. A copy is enclosed.

In addition, we are suggesting a revision to your water main extension rule which would reduce the time period from 20 years to 10 years to require contributions from (1) customers connecting

Mr. Cal Patterson
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to a utility-financed water transmission main or connecting loop or (2) additional customers connecting to a customer-financed water main extension, with the required contribution being refunded to the original contributor(s).

The proposed staff exhibit is intended to give the Commission the staff's viewpoint and is in no way absolute. The utility has the prerogative to present its own case. It may be advantageous to the utility to submit additional information which is believed to be pertinent to substantiate its position. Please note that the Commission will base its decision on the merits of the case.

If you have any questions, please e-mail me at David.Prochaska@psc.state.wi.us or call me at (608) 266-5739.

Sincerely,

/s/ David L. Prochaska

David L. Prochaska
Public Utility Rate Analyst
Division of Water, Compliance and Consumer Affairs

DLP:w:\exhibit\letters\2105-WR-106

Enclosures

cc: Mr. John Bennett, Manager, E-mail: jbennett@franklinwi.gov

Docket No. 2105-WR-106
Witness: David L. Prochaska
Exhibit No. _____

FRANKLIN MUNICIPAL WATER UTILITY

	<u>Schedule</u>
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Division of Water, Compliance and Consumer Affairs
Public Service Commission of Wisconsin
December 2009

COMPARATIVE INCOME STATEMENT

ACCT NO.	OPERATING REVENUES	TEST YEAR				
		2005	2006	2007	2008	2009
460	Unmetered					
	Residential	\$ 1,736	\$ 0	\$ 0	\$ 0	\$ 0
	Commercial	0	0	18,418	3,218	0
	Industrial	0	0	0	0	0
461	Metered					
	Residential	1,974,050	1,730,648	1,916,420	2,035,675	2,142,724
	Commercial	794,103	780,448	862,376	961,521	1,013,783
	Industrial	215,665	203,131	225,281	229,013	247,072
	Total general sales	\$ 2,985,554	\$ 2,714,227	\$ 3,022,495	\$ 3,229,427	\$ 3,403,579
462	Private fire protection service	77,054	84,927	94,528	111,439	113,304
463	Public fire protection service	516,484	530,744	541,518	568,819	580,086
464	Other sales to public authorities	205,425	226,546	235,767	270,696	292,929
465	Sales to irrigation customer:	0	0	0	0	0
466	Sales for resale	0	0	0	0	0
467	Interdepartmental sales	0	0	0	0	0
470	Forfeited discounts	30,677	29,217	32,316	38,708	30,000
471	Miscellaneous service revenues	2,641	1,395	4,287	2,927	2,000
472	Rents from water property	46,684	41,955	32,984	35,672	33,000
473	Interdepartmental revenue:	0	0	0	0	0
474	Other water revenues	3,653	1	1	227,501	0
475	Amortization of grant:	0	0	0	0	0
	TOTAL OPERATING REVENUES	\$ 3,868,172	\$ 3,629,012	\$ 3,963,896	\$ 4,485,189	\$ 4,454,898
OPERATING EXPENSES						
SOURCE OF SUPPLY						
600	Operation labor	\$ 338	\$ 889	\$ 363	\$ 0	\$ 1,500
601	Purchased water	1,882,131	1,772,065	1,943,892	2,106,282	2,248,400
602	Operation supplies and expenses	16,591	7,197	9,434	10,387	9,700
605	Maintenance of plant	2,727	2,129	214	3,807	6,000
PUMPING EXPENSES						
620	Operation labor	0	0	0	0	0
621	Fuel for power production	0	0	0	0	0
622	Power purchased for pumping	39,686	38,850	39,668	43,379	57,000
623	Operation supplies and expenses	86,792	78,515	82,260	89,605	84,500
625	Maintenance of pumping plant	2,810	1,554	4,584	399	3,000

COMPARATIVE INCOME STATEMENT
(continued)

ACCT NO.	OPERATING EXPENSES	2005	2006	2007	2008	TEST YEAR 2009
WATER TREATMENT EXPENSES						
630	Operation labor	\$ 79	\$ 24	\$ 273	\$ 767	\$ 0
631	Chemicals	161	0	331	190	500
632	Operation supplies and expenses	1,793	2,300	4,994	8,389	18,000
635	Maintenance of water treatment plant	522	967	164	0	1,000
TRANS. & DISTRIB. EXPENSES						
640	Operation labor	10,037	10,834	12,704	0	0
641	Operation supplies and expenses	21,228	26,644	27,225	59,708	58,400
650	Maintenance of distr. res. and stdpipes	9,196	2,469	2,005	1,821	112,000
651	Maintenance of mains	40,288	67,196	66,691	130,814	96,800
652	Maintenance of services	28,855	32,430	45,888	36,590	41,000
653	Maintenance of meters	47,794	18,857	50,290	42,671	44,800
654	Maintenance of hydrants	13,581	33,181	32,441	28,911	27,600
655	Maintenance of other plant	23,049	18,493	29,709	27,852	52,000
CUSTOMER ACCOUNTS EXPENSES						
901	Meter reading labor	4,470	10,075	8,842	5,979	6,600
902	Accounting and collecting labor	27,954	60,708	66,136	65,703	68,150
903	Supplies and expenses	0	0	0	0	0
904	Uncollectible accounts	0	0	0	0	0
SALES EXPENSES						
910	Sales expenses	0	0	0	0	0
ADMIN. & GENERAL EXPENSES						
920	Administrative and general salaries	88,568	85,630	97,506	52,100	54,200
921	Office supplies and expenses	5,603	6,418	7,052	7,785	8,000
922	Administrative expenses transferred	0	236	0	0	0
923	Outside services employed	26,700	44,580	48,261	69,290	45,000
924	Property insurance	34,836	27,200	28,500	29,000	30,200
925	Injuries and damages	0	0	0	0	0
926	Employee pensions and benefits	131,390	151,308	144,505	248,468	208,000
928	Regulatory commission expenses	4,355	311	66	0	1,000
930	Miscellaneous general expenses	13,926	972	1,506	1,447	1,000
933	Transportation expenses	0	0	0	0	0
935	Maintenance of general plant	14,787	18,438	20,654	22,502	27,000
TOTAL OPER. & MAINT. EXPENSES						
		\$ 2,580,247	\$ 2,520,470	\$ 2,776,158	\$ 3,093,845	\$ 3,311,350
403	DEPRECIATION EXPENSE	267,250	289,194	286,124	285,696	370,113
408	TAXES AND TAX EQUIVALENT	797,238	801,409	862,850	885,072	902,614
TOTAL OPERATING EXPENSES						
		\$ 3,644,735	\$ 3,611,073	\$ 3,925,132	\$ 4,264,613	\$ 4,584,077
NET OPERATING INCOME						
		\$ 223,437	\$ 17,939	\$ 38,764	\$ 220,576	\$ (129,179)

NET INVESTMENT RATE BASE

UTILITY FINANCED PLANT IN SERVICE	\$	10,499,324
Less: ACCUMULATED PROVISION FOR DEPRECIATION		3,881,017
Less: REGULATORY LIABILITY FOR PRE-2003 ACCUMULATED DEPRECIATION - CIAC		<u>1,763,395</u>
NET INVESTMENT	\$	4,854,912
Plus: MATERIALS AND SUPPLIES		<u>0</u>
NET INVESTMENT RATE BASE	\$	<u><u>4,854,912</u></u>
RATE OF RETURN ON RATE BASE		1.00 %

ESTIMATED INCOME STATEMENT FOR THE 2009 TEST YEAR
AND
REVENUE REQUIREMENT TO YIELD A 1.00% RETURN ON NET INVESTMENT RATE BASE

	<u>PRESENT RATES</u>	<u>INCREASE</u>	<u>AFTER RATE INCREASE</u>
TOTAL OPERATING REVENUES	\$ <u>4,454,898</u>	\$ <u>177,728</u>	\$ <u>4,632,626</u>
OPERATING EXPENSES:			
OPERATION & MAINTENANCE EXPENSES	\$ 3,311,350		\$ 3,311,350
DEPRECIATION EXPENSE	370,113		370,113
TAXES AND TAX EQUIVALENT	<u>902,614</u>		<u>902,614</u>
TOTAL OPERATING EXPENSES	\$ <u>4,584,077</u>		\$ <u>4,584,077</u>
NET OPERATING INCOME (LOSS)	\$ <u><u>(129,179)</u></u>		\$ <u><u>48,549</u></u>
RATE OF RETURN ON RATE BASE	- %		1.00 %

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR
2009

ACCT NO.	ACCOUNT DESCRIPTION	Balance	MAJOR	NORMAL	RETIRE-	Balance	TEST YEAR	DEPRECIATION	
		1/1/2009	ADDITIONS	ADDITIONS	MENTS	12/31/2009	RATE BASE	RATE	EXPENSE
		(\$)	(\$)	(\$)	(\$)	(\$)	BALANCE	(%)	(\$)
INTANGIBLE PLANT									
301	Organization	0	0	0	0	0	0	N/A	0
302	Franchises and consents	0	0	0	0	0	0	N/A	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	N/A	0
SOURCE OF SUPPLY									
310	Land and land rights	0	0	0	0	0	0	N/A	0
311	Structures and improvements	0	0	0	0	0	0	0.00%	0
312	Collecting and impounding reservoirs	0	0	0	0	0	0	0.00%	0
313	Lake, river, and other intakes	0	0	0	0	0	0	0.00%	0
314	Wells and springs	470,983	0	0	0	470,983	470,983	2.94%	13,847
315	Infiltration galleries and tunnels	0	0	0	0	0	0	0.00%	0
316	Supply mains	0	0	0	0	0	0	0.00%	0
317	Other water source plant	0	0	0	0	0	0	0.00%	0
PUMPING PLANT									
320	Land and land rights	100,465	0	0	0	100,465	100,465	N/A	0
321	Structures and improvements	562,896	0	0	0	562,896	562,896	3.20%	18,013
322	Boiler plant equipment	0	0	0	0	0	0	0.00%	0
323	Other power production equipment	0	0	0	0	0	0	0.00%	0
324	Steam pumping equipment	0	0	0	0	0	0	0.00%	0
325	Electric pumping equipment	846,365	0	0	0	846,365	846,365	5.00%	42,318
326	Diesel pumping equipment	0	0	0	0	0	0	0.00%	0
327	Hydraulic pumping equipment	0	0	0	0	0	0	0.00%	0
328	Other pumping equipment	20,319	0	585,000	0	605,319	312,819	4.35%	13,608
WATER TREATMENT PLANT									
330	Land and land rights	0	0	0	0	0	0	N/A	0
331	Structures and improvements	0	0	0	0	0	0	0.00%	0
332	Water treatment equipment-Filtration	0	0	0	0	0	0	0.00%	0
332.1	Water treatment equipment-Chlorination	9,921	0	0	0	9,921	9,921	5.88%	583

UTILITY FINANCED PLANT IN SERVICE AND DEPRECIATION EXPENSE
TEST YEAR
2009
(continued)

ACCT NO.	ACCOUNT DESCRIPTION	Balance	MAJOR	NORMAL	RETIRE-	Balance	TEST YEAR	DEPRECIATION	
		1/1/2009	ADDITIONS	ADDITIONS	MENTS	12/31/09	RATE BASE	RATE	EXPENSE
		(\$)	(\$)	(\$)	(\$)	(\$)	BALANCE	(%)	(\$)
TRANSMISSION & DISTRIBUTION PLANT									
340	Land and land rights	0	0	0	0	0	0	N/A	0
341	Structures and improvements	66,260	0	0	0	66,260	66,260	3.20%	2,120
342	Distribution reservoirs and standpipes	2,990,995	0	0	0	2,990,995	2,990,995	1.89%	56,530
343	Transmission and distribution mains	2,097,276	0	0	0	2,097,276	2,097,276	1.33%	17,636
344	Fire mains	0	0	0	0	0	0	0.00%	0
345	Services	142,747	0	0	0	142,747	142,747	2.86%	2,618
346	Meters	1,988,448	0	90,000	0	2,078,448	2,033,448	6.25%	116,924
348	Hydrants	306,095	0	0	0	306,095	306,095	2.22%	3,864
349	Other transmission and distribution plant	0	0	0	0	0	0	0.00%	0
GENERAL PLANT									
389	Land and land rights	0	0	0	0	0	0	N/A	0
390	Structures and improvements	77,246	0	0	0	77,246	77,246	2.90%	2,240
391	Office furniture and equipment	13,105	0	0	0	13,105	13,105	5.88%	771
391.1	Office furniture and equipment - Computers	201,174	0	3,300	0	204,474	202,824	25.00%	50,706
392	Transportation equipment	124,464	0	13,000	9,000	128,464	126,464	13.30%	16,820
393	Stores equipment	0	0	0	0	0	0	0.00%	0
394	Tools, shop, and garage equipment	28,514	0	0	0	28,514	28,514	5.88%	1,677
395	Laboratory equipment	0	0	0	0	0	0	0.00%	0
396	Power-operated equipment	0	0	0	0	0	0	0.00%	0
397	Communication equipment	7,830	0	0	0	7,830	7,830	14.30%	1,120
397.1	Computer equipment	80,044	0	0	0	80,044	80,044	9.20%	7,364
398	Miscellaneous equipment	23,027	0	0	0	23,027	23,027	5.88%	1,354
399	Other tangible property	0	0	0	0	0	0	0.00%	0
TOTAL UTILITY FINANCED PLANT IN SERVICE		10,158,174	0	691,300	9,000	10,840,474	10,499,324		370,113

SYSTEM DEMAND RATIOS

MAXIMUM DAY SYSTEM DEMAND

TOTAL ANNUAL PUMPAGE	1,035,638,000	GALLONS
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AVERAGE DAILY PUMPAGE	2,837,364	GALLONS
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MAXIMUM DAY PUMPAGE	5,958,465	GALLONS
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FIRE FLOW:

GAL/MIN	5,000	
DURATION (HOURS)	5	
TOTAL FLOW	1,500,000	GALLONS

AVERAGE DAY PLUS FIRE FLOW	4,337,364	GALLONS
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RATIO:	BASE	=	$\frac{2,837,364}{5,958,465}$	=	47.62 %

MAX DAY	=	100-BASE	=	52.38 %
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MAXIMUM HOUR SYSTEM DEMAND

AVERAGE HOUR ON MAX DAY	248,269	GALLONS
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MAXIMUM HOUR PUMPAGE	413,782	GALLONS
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AVERAGE HOUR PLUS ONE HOUR FIRE FLOW	418,224	GALLONS
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RATIO:	BASE	=	$\frac{2,837,364}{10,037,364}$	=	28.27 %	Use
						28.27 %

MAX HOUR	=	100-BASE	=	71.73 %	Use
					71.73 %

**ALLOCATION OF UTILITY FINANCED PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	INTANGIBLE PLANT									
301	Organization	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY									
310	Land and land rights	0	0	0						
311	Structures and improvements	0	0	0						
312	Collecting and impounding reservoirs	0	0	0						
313	Lake, river, and other intakes	0	0	0						
314	Wells and springs	470,983	224,278	246,705						
315	Infiltration galleries and tunnels	0	0	0						
316	Supply mains	0	0	0						
317	Other water source plant	0	0	0						
	PUMPING PLANT									
320	Land and land rights	100,465	47,840	52,625						
321	Structures and improvements	562,896	268,046	294,850						
322	Boiler plant equipment	0	0	0						
323	Other power production equipment	0	0	0						
324	Steam pumping equipment	0	0	0						
325	Electric pumping equipment	846,365	403,031	443,334						
326	Diesel pumping equipment	0	0	0						
327	Hydraulic pumping equipment	0	0	0						
328	Other pumping equipment	312,819	148,961	163,858						
	WATER TREATMENT PLANT									
330	Land and land rights	0	0	0						
331	Structures and improvements	0	0	0						
332	Water treatment equipment	9,921	4,724	5,197						

**ALLOCATION OF UTILITY FINANCED PLANT
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
TRANSMISSION & DISTRIBUTION PLANT										
340	Land and land rights	0	0	0	0	0	0	0	0	0
341	Structures and improvements	66,260	13,637	2,838	18,778	9,281	0	17,797	1,249	2,679
342	Distribution reservoirs and standpipes	2,990,995	845,495		2,145,500					
343	Transmission and distribution mains	2,097,276	712,647	324,254		1,060,375				
344	Fire mains	0								0
345	Services	142,747							142,747	
346	Meters	2,033,448						2,033,448		
348	Hydrants	306,095								306,095
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
GENERAL PLANT										
389	Land and land rights	0	0	0	0	0	0	0	0	0
390	Structures and improvements	77,246	20,738	11,918	16,819	8,312	0	15,940	1,119	2,399
391	Office furniture and equipment	13,105	3,518	2,022	2,853	1,410	0	2,704	190	407
391.1	Office furniture and equipment - Computers	202,824	54,452	31,293	44,161	21,826	0	41,854	2,938	6,300
392	Transportation equipment	126,464	33,952	19,512	27,535	13,609	0	26,097	1,832	3,928
393	Stores equipment	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	28,514	7,655	4,399	6,208	3,068	0	5,884	413	886
395	Laboratory equipment	0	0	0	0	0	0	0	0	0
396	Power-operated equipment	0	0	0	0	0	0	0	0	0
397	Communication equipment	87,874	23,591	13,558	19,133	9,456	0	18,133	1,273	2,730
398	Miscellaneous equipment	23,027	6,182	3,553	5,014	2,478	0	4,752	334	715
399	Other tangible property	0	0	0	0	0	0	0	0	0
TOTAL		10,499,324	2,818,749	1,619,915	2,286,000	1,129,815	0	2,166,610	152,095	326,140

**ALLOCATION OF TOTAL PLANT
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY					CUSTOMER COSTS			
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
	INTANGIBLE PLANT									
301	Organization	0	0	0	0	0	0	0	0	0
302	Franchises and consents	0	0	0	0	0	0	0	0	0
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	0
	SOURCE OF SUPPLY									
310	Land and land rights	0	0	0						
311	Structures and improvements	0	0	0						
312	Collecting and impounding reservoirs	0	0	0						
313	Lake, river, and other intakes	0	0	0						
314	Wells and springs	470,983	224,278	246,705						
315	Infiltration galleries and tunnels	0	0	0						
316	Supply mains	0	0	0						
317	Other water source plant	0	0	0						
	PUMPING PLANT									
320	Land and land rights	100,465	47,840	52,625						
321	Structures and improvements	562,896	268,046	294,850						
322	Boiler plant equipment	0	0	0						
323	Other power production equipment	0	0	0						
324	Steam pumping equipment	0	0	0						
325	Electric pumping equipment	846,365	403,031	443,334						
326	Diesel pumping equipment	0	0	0						
327	Hydraulic pumping equipment	0	0	0						
328	Other pumping equipment	312,819	148,961	163,858						
	WATER TREATMENT PLANT									
330	Land and land rights	0	0	0						
331	Structures and improvements	0	0	0						
332	Water treatment equipment	9,921	4,724	5,197						

**ALLOCATION OF TOTAL PLANT
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
TRANSMISSION & DISTRIBUTION PLANT										
340	Land and land rights	0	0	0	0	0	0	0	0	0
341	Structures and improvements	66,260	17,207	7,337	2,746	23,993	0	2,602	6,235	6,140
342	Distribution reservoirs and standpipes	2,990,995	845,495		2,145,500					
343	Transmission and distribution mains	37,078,670	12,599,203	5,732,625		18,746,843				
344	Fire mains	0								0
345	Services	4,871,612							4,871,612	
346	Meters	2,033,448						2,033,448		
348	Hydrants	4,797,333								4,797,333
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
GENERAL PLANT										
389	Land and land rights	0	0	0	0	0	0	0	0	0
390	Structures and improvements	77,246	20,772	9,911	3,065	26,781	0	2,905	6,959	6,853
391	Office furniture and equipment	13,105	3,524	1,681	520	4,543	0	493	1,181	1,163
391.1	Office furniture and equipment - Computers	202,824	54,540	26,023	8,048	70,319	0	7,627	18,273	17,995
392	Transportation equipment	126,464	34,006	16,226	5,018	43,845	0	4,756	11,394	11,220
393	Stores equipment	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	28,514	7,667	3,658	1,131	9,886	0	1,072	2,569	2,530
395	Laboratory equipment	0	0	0	0	0	0	0	0	0
396	Power-operated equipment	0	0	0	0	0	0	0	0	0
397	Communication equipment	87,874	23,629	11,274	3,487	30,466	0	3,305	7,917	7,796
398	Miscellaneous equipment	23,027	6,192	2,954	914	7,983	0	866	2,075	2,043
399	Other tangible property	0	0	0	0	0	0	0	0	0
TOTAL		54,700,821	14,709,116	7,018,258	2,170,428	18,964,658	0	2,057,074	4,928,214	4,853,072

**ALLOCATION OF DEPRECIATION EXPENSE
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
INTANGIBLE PLANT										
301	Organization	0	0	0	0	0	0	0	0	
302	Franchises and consents	0	0	0	0	0	0	0	0	
303	Miscellaneous intangible plant	0	0	0	0	0	0	0	0	
SOURCE OF SUPPLY										
310	Land and land rights	0	0	0						
311	Structures and improvements	0	0	0						
312	Collecting and impounding reservoirs	0	0	0						
313	Lake, river, and other intakes	0	0	0						
314	Wells and springs	13,847	6,594	7,253						
315	Infiltration galleries and tunnels	0	0	0						
316	Supply mains	0	0	0						
317	Other water source plant	0	0	0						
PUMPING PLANT										
320	Land and land rights	0	0	0						
321	Structures and improvements	18,013	8,578	9,435						
322	Boiler plant equipment	0	0	0						
323	Other power production equipment	0	0	0						
324	Steam pumping equipment	0	0	0						
325	Electric pumping equipment	42,318	20,151	22,167						
326	Diesel pumping equipment	0	0	0						
327	Hydraulic pumping equipment	0	0	0						
328	Other pumping equipment	13,608	6,480	7,128						
WATER TREATMENT PLANT										
330	Land and land rights	0	0	0						
331	Structures and improvements	0	0	0						
332	Water treatment equipment	583	278	305						

**ALLOCATION OF DEPRECIATION EXPENSE
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
					STORAGE	DISTRIB.				
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
TRANSMISSION & DISTRIBUTION PLANT										
340	Land and land rights	0	0	0	0	0	0	0	0	
341	Structures and improvements	2,120	236	29	435	96	0	1,255	28	41
342	Distribution reservoirs and standpipes	56,530	15,980		40,550					
343	Transmission and distribution mains	17,636	5,993	2,727		8,917				
344	Fire mains	0								0
345	Services	2,618							2,618	
346	Meters	116,924						116,924		
348	Hydrants	3,864								3,864
349	Other transmission and distribution plant	0	0	0	0	0	0	0	0	0
GENERAL PLANT										
389	Land and land rights	0	0	0	0	0	0	0	0	0
390	Structures and improvements	2,240	601	346	488	241	0	462	32	70
391	Office furniture and equipment	771	207	119	168	83	0	159	11	24
391.1	Office furniture and equipment - Computers	50,706	13,613	7,823	11,040	5,456	0	10,464	735	1,575
392	Transportation equipment	16,820	4,516	2,595	3,662	1,810	0	3,471	244	522
393	Stores equipment	0	0	0	0	0	0	0	0	0
394	Tools, shop, and garage equipment	1,677	450	259	365	180	0	346	24	52
395	Laboratory equipment	0	0	0	0	0	0	0	0	0
396	Power-operated equipment	0	0	0	0	0	0	0	0	0
397	Communication equipment	8,484	2,278	1,309	1,847	913	0	1,751	123	264
398	Miscellaneous equipment	1,354	364	209	295	146	0	279	20	42
399	Other tangible property	0	0	0	0	0	0	0	0	0
TOTAL		370,113	86,317	61,704	58,850	17,842	0	135,111	3,835	6,454

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)
					STORAGE (\$)	DISTRIB. (\$)				
	SOURCE OF SUPPLY									
600	Operation labor	1,500	714	786						
601	Purchased water	2,248,400	2,165,780							82,620
602	Operation supplies and expenses	9,700	4,619	5,081						
603	Maintenance of plant	6,000	2,857	3,143						
	PUMPING EXPENSES									
620	Operation labor	0	0	0						
621	Fuel for power production	0	0							
622	Power purchased for pumping	57,000	57,000							
623	Operation supplies and expenses	84,500	40,238	44,262						
625	Maintenance of pumping plant	3,000	1,429	1,571						
	WATER TREATMENT EXPENSES									
630	Operation labor	0	0	0						
631	Chemicals	500	500							
632	Operation supplies and expenses	18,000	8,571	9,429						
635	Maintenance of water treatment plant	1,000	476	524						
	TRANSMISSION & DISTRIBUTION EXPENSES									
640	Operation labor	0	0	0	0	0		0	0	0
641	Operation supplies and expenses	58,400	11,700	2,713	14,562	8,871		8,120	7,431	5,003
650	Maintenance of distr. res. and stdpipes	112,000	31,660		80,340					
651	Maintenance of mains	96,800	32,892	14,966		48,942				
652	Maintenance of services	41,000							41,000	
653	Maintenance of meters	44,800						44,800		
654	Maintenance of hydrants	27,600								27,600
655	Maintenance of other plant	52,000	10,418	2,415	12,966	7,899		7,230	6,617	4,454

**ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES
TO
SERVICE COST FUNCTIONS
(continued)**

ACCT NO.	ACCOUNT DESCRIPTION	EXTRA-CAPACITY				CUSTOMER COSTS				
		TOTAL (\$)	BASE COST (\$)	MAX DAY (\$)	MAX HOUR		BILLING (\$)	EQUIV. METER (\$)	EQUIV. SERVICE (\$)	FIRE PROTECT. (\$)
					STORAGE (\$)	DISTRIB. (\$)				
CUSTOMER ACCOUNTS EXPENSES										
901	Meter reading labor	6,600					6,600			
902	Accounting and collecting labor	68,150					68,150			
903	Supplies and expenses	0					0			
SALES EXPENSES										
910	Sales expenses	0					0			
ADMINISTRATIVE & GENERAL EXPENSES										
920	Administrative and general salaries	54,200	12,503	7,291	9,265	5,644	6,420	5,166	4,728	3,183
921	Office supplies and expenses	8,000	1,846	1,076	1,367	833	948	763	698	470
922	Administrative expenses transferred	0	0	0	0	0	0	0	0	0
923	Outside services employed	45,000	10,381	6,053	7,692	4,686	5,330	4,289	3,925	2,643
924	Property insurance	30,200	8,121	3,875	1,198	10,470	0	1,136	2,721	2,679
925	Injuries and damages	0	0	0	0	0	0	0	0	0
926	Employe pensions and benefits	208,000	47,983	27,980	35,554	21,659	24,638	19,826	18,144	12,214
928	Regulatory commission expenses	1,000	231	135	171	104	118	95	87	59
930	Miscellaneous general expenses	1,000	231	135	171	104	118	95	87	59
933	Transportation expenses	0	0	0	0	0	0	0	0	0
935	Maintenance of general plant	27,000	6,229	3,632	4,615	2,812	3,198	2,574	2,355	1,586
TOTAL OPERATION & MAINTENANCE EXPENSES		3,311,350	2,456,379	135,066	167,902	112,023	115,522	94,095	87,795	142,569

SUMMARY OF ALLOCATION OF OPERATING COSTS TO SERVICE COST FUNCTIONS

	EXTRA-CAPACITY					CUSTOMER COSTS			
	TOTAL	BASE COST	MAX DAY	MAX HOUR		BILLING	EQUIV. METER	EQUIV. SERVICE	FIRE PROTECT.
				STORAGE	DISTRIB.				
<u>OPERATING COST</u>	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
OPERATION AND MAINTENANCE	3,311,350	2,456,379	135,066	167,902	112,023	115,522	94,095	87,795	142,569
DEPRECIATION EXPENSE	370,113	86,317	61,704	58,850	17,842	0	135,111	3,835	6,454
TAXES AND TAX EQUIVALENT	902,614	242,714	115,808	35,814	312,934	0	33,944	81,320	80,080
RETURN ON NET INVESTMENT RATE BASE	48,549	13,034	7,491	10,571	5,224	0	10,018	703	1,508
TOTAL	4,632,626	2,798,445	320,068	273,136	448,024	115,522	273,167	173,653	230,611

CUSTOMER CLASS DEMAND RATIOS

CUSTOMER CLASS	BASE COSTS			EXTRA-CAPACITY MAXIMUM DAY DEMAND				EXTRA-CAPACITY MAXIMUM HOUR DEMAND				
	ANNUAL VOLUME 1,000 GALLONS	AVERAGE DAY VOLUME (GALLONS)	PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE GALLONS PER DAY	PERCENT (%)	ADJUST. PERCENT (%)	EXTRA CAPACITY RATIO	VOLUME RATE GALLONS PER HOUR	PERCENT (%)	STORAGE ADJUST. PERCENT (%)	DISTR. ADJUST. PERCENT (%)
RESIDENTIAL	483,104	1,323,573	52.91	2.20	2,911,860	48.39	48.39	4.50	248,170	36.11	36.11	36.11
COMMERCIAL	258,847	709,170	28.35	1.50	1,063,755	17.68	17.68	3.20	94,556	13.76	13.76	13.76
INDUSTRIAL	75,301	206,304	8.25	0.90	185,674	3.09	3.09	1.50	12,894	1.88	1.88	1.88
PUBLIC AUTHORITY	86,736	237,633	9.50	1.50	356,449	5.92	5.92	3.20	31,684	4.61	4.61	4.61
PUBLIC FIRE PROTECTION	9,131	25,017	1.00		1,500,000	24.93	24.93		300,000	43.65	43.65	43.65
TOTALS	913,119	2,501,696	100.00		6,017,738	100.00	100.00		687,304	100.00	100.00	100.00

50.00 <-- Public Fire % Limits --> 80.00 50.00

MAXIMUM DAY DEMAND = 6,994,417 (GAL/DAY) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM DAY EXTRA CAPACITY DEMAND

MAXIMUM HOUR DEMAND = 490,499 (GAL/HR) SUM OF GENERAL SERVICE AVERAGE AND MAXIMUM HOUR EXTRA CAPACITY DEMAND

1.17 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX DAY

1.19 = NON-COINCIDENT / COINCIDENT RATIO FOR MAX HOUR

CUSTOMER CLASS ALLOCATION FACTORS

NUMBER OF METERS

<u>Meter size (inches):</u>	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	TOTAL METERS	PERCENT
RESIDENTIAL	273	6,082	62	0	2	0	0	0	0	0	0	0	0	6,419	83.28
COMMERCIAL	17	751	221	4	165	74	0	10	1	1	0	0	0	1,244	16.14
INDUSTRIAL	0	2	5	0	4	3	0	2	0	0	0	0	0	16	0.21
PUBLIC AUTHORITY	0	4	2	0	5	9	0	4	3	2	0	0	0	29	0.38
TOTALS	290	6,839	290	4	176	86	0	16	4	3	0	0	0	7,708	100.00

EQUIVALENT METERS

ALLOCATION FACTOR:	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	TOTAL EQUIV. METERS	PERCENT
<u>Meter size (inches):</u>	<u>1.0</u>	<u>1.0</u>	<u>2.5</u>	<u>3.7</u>	<u>5.0</u>	<u>8.0</u>	<u>12.5</u>	<u>15.0</u>	<u>25.0</u>	<u>50.0</u>	<u>80.0</u>	<u>120.0</u>	<u>160.0</u>		
<u>Equiv. meters ratio:</u>															
RESIDENTIAL	273	6,082	155	0	10	0	0	0	0	0	0	0	0	6,520	65.68
COMMERCIAL	17	751	553	15	825	592	0	150	25	50	0	0	0	2,977	29.99
INDUSTRIAL	0	2	13	0	20	24	0	30	0	0	0	0	0	89	0.89
PUBLIC AUTHORITY	0	4	5	0	25	72	0	60	75	100	0	0	0	341	3.44
TOTALS	290	6,839	725	15	880	688	0	240	100	150	0	0	0	9,927	100.00

EQUIVALENT SERVICES

ALLOCATION FACTOR:	<u>5/8</u>	<u>3/4</u>	<u>1</u>	<u>1-1/4</u>	<u>1-1/2</u>	<u>2</u>	<u>2-1/2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>8</u>	<u>10</u>	<u>12</u>	TOTAL EQUIV. SERVICES	PERCENT
<u>Meter size (inches):</u>	<u>1.0</u>	<u>1.0</u>	<u>1.3</u>	<u>1.7</u>	<u>2.0</u>	<u>3.0</u>	<u>3.5</u>	<u>4.0</u>	<u>5.0</u>	<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>9.0</u>		
<u>Equiv. services ratio:</u>															
RESIDENTIAL	273	6,082	81	0	4	0	0	0	0	0	0	0	0	6,440	78.29
COMMERCIAL	17	751	287	7	330	222	0	40	5	6	0	0	0	1,665	20.24
INDUSTRIAL	0	2	7	0	8	9	0	8	0	0	0	0	0	34	0.41
PUBLIC AUTHORITY	0	4	3	0	10	27	0	16	15	12	0	0	0	87	1.05
TOTALS	290	6,839	377	7	352	258	0	64	20	18	0	0	0	8,225	100.00

ALLOCATION OF SERVICE COST FUNCTIONS TO CUSTOMER CLASSES

	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PUBLIC	PUBLIC
	(\$)	(\$)	(\$)	(\$)	AUTHORITY	FIRE
					(\$)	PROTECTION
						(\$)
BASE COSTS	2,798,445	1,480,573	793,291	230,776	265,821	27,984
EXTRA-CAPACITY COSTS:						
MAXIMUM-DAY	320,068	154,874	56,578	9,876	18,959	79,781
MAXIMUM-HOUR STORAGE	273,136	98,623	37,577	5,124	12,591	119,221
MAXIMUM-HOUR DISTRIBUTION	448,024	161,771	61,637	8,405	20,654	195,557
CUSTOMER COSTS:						
BILLING	115,522	96,203	18,644	240	435	
EQUIVALENT METERS	273,167	179,418	81,930	2,435	9,384	
EQUIVALENT SERVICES	173,653	135,961	35,156	707	1,828	
FIRE PROTECTION	230,611					230,611
TOTAL COST	4,632,626	2,307,425	1,084,813	257,563	329,671	653,154
LESS OTHER REVENUE	178,304	37,689	17,719	4,207	5,385	113,304
COST OF SERVICE	4,454,322	2,269,736	1,067,094	253,356	324,286	539,850
REVENUE AT PRESENT RATES	4,276,594	2,142,724	1,013,783	247,072	292,929	580,086
DIFFERENCE	177,728	127,012	53,311	6,284	31,357	(40,236)
PERCENT INCREASE/DECREASE	4.16	5.93	5.26	2.54	10.70	-6.94

FRANKLIN MUNICIPAL WATER UTILITY

Comparison of Revenue

at

Present Rates, Cost of Service and Proposed Rates

Customer Class	Revenue at Present Rates	Cost of Service		Proposed Rates		
		Revenue Required	Increase Over Present Rates	Revenue	Increase Over Present Rates	Percent of Cost of Service
Residential	\$ 2,142,724	\$ 2,269,736	6%	\$ 2,265,081	6%	100%
Commercial	1,013,783	1,067,094	5%	1,076,181	6%	101%
Industrial	247,072	253,356	3%	263,131	6%	104%
Public Authority	292,929	324,286	11%	311,682	6%	96%
Public Fire Protection	580,086	539,850	-7%	540,549	-7%	100%
Total	\$ 4,276,594	\$ 4,454,322	4%	\$ 4,456,625	4%	100%

FRANKLIN MUNICIPAL WATER UTILITY

Proposed Water Rates and Rules

Purchased Water Adjustment Clause - - PWAC-1

Franklin Municipal Water Utility (utility) may apply a purchased water adjustment clause (PWAC) to its water rates set forth under Schedules F-1, Fd-1, and Mg-1 to reflect an increase or decrease in the rates charged by its wholesale water supplier, Oak Creek Water and Sewer Utility (wholesaler). The adjustment can be made effective on or after the effective date of the wholesaler's rate change. Adjustment under this PWAC which results in an increase cannot be effective until the utility has filed the proposed change with the Public Service Commission (Commission) and the Commission has accepted the adjustment for filing. The utility shall provide notice to its customers of such change in rates resulting from application of the PWAC.

The utility must request Commission authorization for a PWAC rate change within 90 days of a change in its wholesale water supplier's rates or forfeit all adjustment to its rates under the PWAC until the time of its next rate case.

Calculation of Adjusted Annual Charge for Public Fire Protection Service - - F-1

$$\text{AFP} = \text{FP} + (\text{A} \times 50\%)$$

$$\text{A} = \text{N} - \text{B}$$

Where: AFP = Adjusted annual charge for public fire protection service to the City of Franklin.

FP = Current annual charge for public fire protection service under the utility's Schedule F-1 rate.

A = New annual wholesale public fire protection service charge less the current annual wholesale public fire protection service charge.

N = New annual wholesale public fire protection service charge.

B = Current annual wholesale public fire protection service charge.

Calculation of Adjusted Quarterly Public Fire Protection Service Charges - - - Fd-1

$$\text{C} = \text{Z} \times (1 + \text{P})$$

$$\text{P} = [(\text{N} - \text{B}) \times 50\%] / \text{T}$$

Where: C = Adjusted Schedule Fd-1 quarterly retail service charges rounded up to the nearest cent.

Z = Current Schedule Fd-1 quarterly retail service charges.

P = Adjustment factor rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N = New quarterly wholesale public fire protection service charge.

B = Current quarterly wholesale public fire protection service charge.

T = Total quarterly dollar revenue from quarterly retail service charges per rate Schedule Fd-1.

Calculation of Adjusted Quarterly Service Charges - - - Mg-1

$$C = Z \times (1 + P)$$

$$P = (N - B) / T$$

Where: C = Adjusted Schedule Mg-1 quarterly retail service charges rounded up to the nearest cent.

Z = Current Schedule Mg-1 quarterly retail service charges.

P = Adjustment factor rounded up to the nearest hundredth of a percent, which is four places past the decimal point (.XXXX).

N = New quarterly wholesale service charge.

B = Current quarterly wholesale service charge.

T = Total quarterly dollar revenue from quarterly retail service charges per rate Schedule Mg-1.

Commodity Charge Adjustment - - - Mg-1

$$AVBR = VBR + A$$

Where: AVBR = Adjusted Schedule Mg-1 retail volume block rates rounded up to the nearest cent.

VBR = Current Schedule Mg-1 retail volume block rates.

A = New wholesale volume charge less the current wholesale volume charge.

Public Fire Protection Service - - - F-1

The annual charge for public fire protection service to the City of Franklin shall be \$269,925.

This service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Public Fire Protection Service - - - Fd-1

Under Wis. Stat. § 196.03(3)(b), the municipality has chosen to have the utility bill the retail general service customers for public fire protection service.

This service shall include the use of hydrants for fire protection service only and such quantities of water as may be demanded for the purpose of extinguishing fires within the service area. This service shall also include water used for testing equipment and training personnel. For all other purposes, the metered or other rates set forth, or as may be filed with the Public Service Commission, shall apply.

Quarterly Public Fire Protection Service Charges:

5/8 -inch meter - \$	6.81	3 -inch meter - \$	102.00
3/4 -inch meter - \$	6.81	4 -inch meter - \$	171.00
1 -inch meter - \$	17.10	6 -inch meter - \$	339.00
1 1/4 -inch meter - \$	25.20	8 -inch meter - \$	543.00
1 1/2 -inch meter - \$	34.20	10 -inch meter - \$	816.00
2 -inch meter - \$	54.60	12 -inch meter - \$	1,089.00

Customers who are provided service under Schedules Mg-1, Ug-1, Mgt-1, or Mz-1, shall also be subject to the charges in this schedule.

Billing: Same as Schedule Mg-1.

Private Fire Protection Service - Unmetered - - - Upf-1

This service shall consist of permanent or continuous unmetered connections to the main for the purpose of supplying water to private fire protection systems such as automatic sprinkler systems, standpipes, and private hydrants. This service shall also include reasonable quantities of water used for testing check valves and other backflow prevention devices.

Quarterly Private Fire Protection Service Demand Charges:

2-inch or smaller connection	\$ 12.00
3-inch connection	\$ 22.50
4-inch connection	\$ 37.50
6-inch connection	\$ 75.00
8-inch connection	\$ 120.00
10-inch connection	\$ 180.00
12-inch connection	\$ 240.00
14-inch connection	\$ 300.00
16-inch connection	\$ 360.00

Billing: Same as Schedule Mg-1.General Service - Metered - - - Mg-1

Quarterly Service Charges:

$\frac{5}{8}$ -inch meter - \$	19.20	3 -inch meter - \$	141.00
$\frac{3}{4}$ -inch meter - \$	19.20	4 -inch meter - \$	217.50
1 -inch meter - \$	32.10	6 -inch meter - \$	402.00
1 $\frac{1}{4}$ -inch meter - \$	43.20	8 -inch meter - \$	609.00
1 $\frac{1}{2}$ -inch meter - \$	54.60	10 -inch meter - \$	900.00
2 -inch meter - \$	83.40	12 -inch meter - \$	1,185.00

Plus Volume Charges:

Residential* Class:

First	10,000 gallons used per quarter - \$3.50 per 1,000 gallons
Next	10,000 gallons used per quarter - \$3.65 per 1,000 gallons
Over	20,000 gallons used per quarter - \$4.00 per 1,000 gallons

*Residential customers are those that have water service provided for residential or domestic purposes. Sales to multiple dwelling buildings through a single meter serving three or more family units are classified as non-residential.

Non-Residential Class:

First	60,000 gallons used per quarter - \$3.67 per 1,000 gallons
Next	940,000 gallons used per quarter - \$3.55 per 1,000 gallons
Over	1,000,000 gallons used per quarter - \$3.40 per 1,000 gallons

Billing: Bills for water service are rendered quarterly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge will be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

Combined Metering: Volumetric meter readings will be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. Multiple meters placed for the purpose of identifying water not discharged into the sanitary sewer are not considered for utility convenience and shall not be combined for billing. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Meter readings from individually metered separate service laterals shall not be combined for billing purposes.

Other Charges - - - OC-1

Non-Sufficient Funds Charge: A \$10.00 charge shall apply to the customer's account when a payment rendered for utility service is returned for non-sufficient funds. This charge may not be in addition to, but may be inclusive of, other non-sufficient funds charges when the payment was for multiple services.

Special Meter Reading Charge: A \$10.00 charge shall apply whenever a customer requests a special meter reading by utility personnel on a date other than the regularly scheduled meter reading. (Note: If the customer schedules an appointment for a special meter reading by utility personnel and fails to be present at such time to allow access to the meter, see the applicable Missed Appointment Charge.)

Missed Appointment Charge (After Normal Business Hours): A \$50.00 charge shall apply whenever a customer schedules an appointment with utility personnel at the customer's location and, without providing reasonable cancellation notice to the utility, fails to be present.

Billing: Same as Schedule Mg-1.

Public Service - - - Mpa-1

Water service supplied to municipal buildings, schools, sewer treatment plants, etc., shall be metered and the regular metered service rates (Schedule Mg-1) applied.

Water used on an intermittent basis for flushing sewers, street sprinkling, flooding skating rinks, drinking fountains, etc., shall be metered where meters can be set to measure the service. Where it is impossible to measure the service, the superintendent shall estimate the volume of water

used based on the pressure, size of opening, and period of time water is allowed to be drawn. The estimated quantity used shall be billed at the rate of \$3.55 per 1,000 gallons.

Billing: Same as Schedule Mg-1.

General Water Service - Unmetered - - - Ug-1

Where the utility cannot immediately install its water meter, service may be supplied temporarily on an unmetered basis. Such service shall be billed at the rate of \$87.05 per quarter. This rate shall be applied only to single-family residential and small commercial customers and approximates the cost of 19,000 gallons of water per quarter under Schedule Mg-1. If it is determined by the utility that usage is in excess of 19,000 gallons of water per quarter, an additional charge per Schedule Mg-1 will be made for the estimated additional usage.

Billing: Same as Schedule Mg-1.

Seasonal, Emergency, or Temporary Service - - - Mgt-1

Seasonal customers* shall pay an annual seasonal service charge equal to four times the applicable service charge in Schedule Mg-1. Water use in any billing period shall be billed at the applicable volume rates in Schedule Mg-1 and the charge added to the annual seasonal service charge.

In addition, customers who have an additional meter pursuant to Schedule Am-1 shall also pay an annual seasonal rental charge equal to four times the applicable additional meter rental charge in Schedule Am-1.

For disconnections of service not previously considered as seasonal, emergency, or temporary, if service is resumed at the same premises by the same customer within a 12-month period, and if there has been no service to another customer during the intervening period, the customer shall be billed for the pro rata share of the applicable service charge for the period of disconnection.

Further, if service has been disconnected or a meter removed, a charge under Schedule R-1 shall be applied at the time of reconnection or meter reinstallation.

*Seasonal customers are general service customers whose use of water is normally for recurring periods of less than a year. This includes service under Schedule Mg-1 and/or Schedule Am-1.

Billing: Same as Schedule Mg-1.

Building and Construction Water Service - - - Mz-1

For single-family and small commercial buildings, apply the unmetered rate (Schedule Ug-1).

For large commercial, industrial, or multiple apartment buildings, a temporary metered installation shall be made and general metered rates (Schedule Mg-1) applied.

Billing: Same as Schedule Mg-1.

Bulk Water - - - BW-1

All bulk water supplied from the water system through hydrants or other connections shall be metered, or at the direction of the utility, estimated. Utility personnel or a utility-approved party shall supervise the delivery of water.

Bulk water sales are:

- A. Water supplied by tank trucks or from hydrants for the purpose of extinguishing fires outside the utility's immediate service area;
- B. Water supplied by tank trucks or from hydrants for purposes other than extinguishing fires, such as irrigation or the filling of swimming pools; or,
- C. Water supplied from hydrants or other temporary connections for general service type applications. (Water supplied for construction purposes - see Schedule Mz-1.)

A charge for the volume of water used will be billed to the party using the water at \$3.67 per 1,000 gallons. A service charge, in addition to the volumetric charge, will be \$40.00. In addition, for meters that are assigned to bulk water customers for more than 30 days, the applicable service charge in Schedule Mg-1 will apply after the first 30 days.

The water utility may require reasonable deposits for the temporary use of its equipment under this and other rate schedules. The deposit(s) collected will be refunded upon return of the utility's equipment. Damaged or lost equipment will be repaired or replaced at the customer's expense.

Billing: Same as Schedule Mg-1.

Additional Meter Rental Charge - - - Am-1

If a customer requests the installation of an additional meter* to receive credit for clear water not discharged into the sanitary sewer system, or if a sewerage service customer who is not a customer of the water utility requests the installation of a meter to determine the volume of sewage discharged into the sanitary sewer system, the utility shall furnish and install this

additional meter. This rate applies to single-family residential and small commercial customers. At utility discretion, it may also be applied to other customers. A rental fee shall be charged for the use of this meter and the following rates shall apply.

$\frac{5}{8}$ -inch meter -	\$ 19.20 per quarter
$\frac{3}{4}$ -inch meter -	\$ 19.20 per quarter
1 -inch meter -	\$ 32.10 per quarter
1 $\frac{1}{4}$ -inch meter -	\$ 43.20 per quarter
1 $\frac{1}{2}$ -inch meter -	\$ 54.60 per quarter

Initial Meter Installation Charge - \$40.00

*For the Schedule Am-1 rate to apply, the additional meter must be installed on the same service lateral as the primary meter. Also, if the metering configuration is in the Addition Method, the Schedule Am-1 rate will apply only if the additional meter is $\frac{3}{4}$ -inch or less. If the additional meter is larger than $\frac{3}{4}$ -inch in the Addition Method, then Schedule Mg-1 rates apply to the primary meter and the additional meter as separate accounts.

Billing: Same as Schedule Mg-1.

Reconnection Charges - - - R-1

	<u>During Normal Business Hours</u>	<u>After Normal Business Hours</u>
Reinstallation of meter, including valving at curb stop	\$ 40.00	\$ 50.00
Valve turned on at curb stop	\$ 33.00	\$ 43.00

Note: No charge for disconnection.

Billing: Same as Schedule Mg-1.

Water Lateral Installation Charge - - - Cz-1

Subdivision developers shall be responsible, where the main extension has been approved by the utility, for the water service lateral installation costs from the main through the curb stop and box.

When the cost of a utility main extension is to be collected through assessment by the municipality, the actual average water lateral installation costs from the main through the curb stop and box shall be included in the assessment of the appropriate properties.

The initial water service lateral(s), not installed as part of a subdivision development or an assessable utility extension, will be installed from the main through the curb stop and box by the utility, for which the actual cost will be charged.

Billing: Same as Schedule Mg-1.

Rules and Regulations - - - X-1

Delete Schedule X-1 (10 pages). Incorporate the operating rules for municipal water utilities as provided by the Public Service Commission.

Water Main Extension Rule - - - X-2

Water mains will be extended for new customers on the following basis:

- A. Where the cost of the extension is to immediately be collected through assessment by the municipality against the abutting property, the procedure set forth under Wis. Stat. § 66.0703 will apply, and no additional customer contribution to the utility will be required.
- B. Where the municipality is unwilling or unable to make a special assessment, the extension will be made on a customer-financed basis as follows:
 - 1. The applicant(s) will advance as a contribution in aid of construction the total amount equivalent to that which would have been assessed for all property under A.
 - 2. Part of the contribution required in B.1. will be refundable. When additional customers are connected to the extended main within 10 years of the date of completion, contributions in aid of construction will be collected equal to the amount which would have been assessed under A. for the abutting property being served. This amount will be refunded to the original contributor(s). In no case will the contributions received from additional customers exceed the proportionate amount which would have been required under A., nor will it exceed the total assessable cost of the original extension.
- C. When a customer connects to a transmission main or connecting loop installed at utility expense within 10 years of the date of completion, there will be a contribution required of an amount equivalent to that which would have been assessed under A.

Water Main Installations in Platted Subdivisions - - - X-3

Application for installation of water mains in regularly platted real estate development subdivisions shall be filed with the utility.

If the developer, or a contractor employed by the developer, is to install the water mains (with the approval of the utility), the developer shall be responsible for the total cost of construction.

If the utility or its contractor is to install the water mains, the developer shall be required to advance to the utility, prior to the beginning of the construction, the total estimated cost of the extension. If the final costs exceed estimated costs, an additional billing will be made for the balance of the cost due. This balance is to be paid within 30 days. If final costs are less than estimated, a refund of the overpayment will be made by the water utility.

FRANKLIN MUNICIPAL WATER UTILITY

Customer Water Bill Comparison at Present and Proposed Rates

Customer Type	Meter Size (Inches)	Volume 1,000 Gallons	Quarterly			Quarterly Bills With Fire		
			Bill at Old Rates	Bill at New Rates	Percent Change	Bill at Old Rates	Bill at New Rates	Percent Change
Small Residential	5/8	10	\$ 53.14	\$ 54.20	2%	\$ 61.96	\$ 61.01	-2%
Average Residential	3/4	19	\$ 84.10	\$ 87.05	4%	\$ 92.92	\$ 93.86	1%
Large Residential	3/4	40	\$ 156.34	\$ 170.70	9%	\$ 165.16	\$ 177.51	7%
Commercial	3/4	50	\$ 190.74	\$ 202.70	6%	\$ 199.56	\$ 209.51	5%
Commercial	3/4	75	\$ 274.64	\$ 292.65	7%	\$ 283.46	\$ 299.46	6%
Commercial	1	100	\$ 369.62	\$ 394.30	7%	\$ 391.91	\$ 411.40	5%
Public Authority	2	300	\$ 1,079.56	\$ 1,155.60	7%	\$ 1,150.77	\$ 1,210.20	5%
Public Authority	1 1/2	700	\$ 2,371.46	\$ 2,546.80	7%	\$ 2,415.73	\$ 2,581.00	7%
Commercial	2	1,600	\$ 5,309.56	\$ 5,680.60	7%	\$ 5,380.77	\$ 5,735.20	7%
Industrial	1 1/2	1,900	\$ 6,241.46	\$ 6,671.80	7%	\$ 6,285.73	\$ 6,706.00	7%
Large Commercial	3	3,000	\$ 9,845.73	\$ 10,498.20	7%	\$ 9,978.86	\$ 10,600.20	6%
Large Commercial	3	5,000	\$ 16,245.73	\$ 17,298.20	6%	\$ 16,378.86	\$ 17,400.20	6%
Large Industrial	3	6,500	\$ 21,045.73	\$ 22,398.20	6%	\$ 21,178.86	\$ 22,500.20	6%
Large Industrial	2	8,500	\$ 27,389.56	\$ 29,140.60	6%	\$ 27,460.77	\$ 29,195.20	6%
Large Public Authority	4	11,000	\$ 35,520.64	\$ 37,774.70	6%	\$ 35,743.55	\$ 37,945.70	6%
Public Fire Protection -- Municipal Charge (Annual)						\$ 235,687.00	\$ 269,925.00	15%
Public Fire Protection -- Direct Charges (Annual)						\$ 344,399.00	\$ 270,624.36	-21%
Public Fire Protection -- Total Charge (Annual)						\$ 580,086.00	\$ 540,549.36	-7%

FRANKLIN MUNICIPAL WATER UTILITY

Schedule of Depreciation Rates
Effective January 1, 2009

<u>Acct. No.</u>	<u>Account Title</u>	<u>Depr. Rate</u>
	SOURCE OF SUPPLY PLANT	
314	Wells and Springs	2.90%
	PUMPING PLANT	
321	Structures and Improvements	3.20%
325	Electric Pumping Equipment	5.00%
328	Other Pumping Equipment	4.35%
	WATER TREATMENT PLANT	
334	Other Water Treatment Equipment	5.88%
	TRANSMISSION AND DISTRIBUTION PLANT	
341	Structures and Improvements	3.20%
342	Distribution Reservoirs and Standpipes	1.89%
343	Transmission and Distribution Mains	1.33%
345	Services	2.86%
346	Meters	6.25%
348	Hydrants	2.22%
	GENERAL PLANT	
390	Structures and Improvements	2.90%
391	Office Furniture and Equipment	5.88%
391.1	Computer Equipment	25.00%
392	Transportation Equipment	13.30%
394	Tools, Shop and Garage Equipment	5.88%
397	Communication Equipment	14.30%
397.1	SCADA Equipment	9.20%
398	Miscellaneous Equipment	5.88%